



## How to measure risks in real estate?

What is risk in real estate investment?

Why are property investors risk-averse?

How to identify property investment risks?

Ways to measure risks in real estate

Summary

1. Property ratio analysis

Breakeven ratio

Debt coverage ratio

Debt coverage ratio after tax

Expenses ratio

Running yield

Loan to value ratios

Return on equity

Tax sheltered yield

2. Weighted average lease expiry

3. Components analysis

4. Sensitivity analysis

5. Scenario analysis